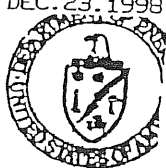


DEC. 23. 1998 12:37PM

DOE/OAK/FINANCE DIV.

NO. 269 P. 4/4



Department of Energy

Washington, DC 20585

December 11, 1998

Attachment II.4

MEMORANDUM FOR FIELD CHIEF FINANCIAL OFFICERS

FROM:

MICHAEL L. TELSON *MLT*
CHIEF FINANCIAL OFFICER

SUBJECT:

TERMINATION OF WAIVER OF DEPARTMENTAL OVERHEAD
FOR WORK PERFORMED FOR THE DEFENSE ADVANCED
RESEARCH PROJECTS AGENCY (DARPA)

My memorandum of October 29, 1998, provided guidance on implementing the National Defense Authorization Act for Fiscal Year 1999 direction on Federal administrative charges (formerly referred to as Departmental overhead). A provision of the Act calls for termination, not later than two years after the date of enactment, of any existing waiver of Federal administrative charges, unless the Secretary determines that such waiver should be continued.

On December 22, 1993, this office approved a pricing waiver of Departmental overhead charges for DARPA sponsored Technology Reinvestment Project awards where the Department performs technical and administrative oversight activities. Based on our recent review and consistent with the provisions of the Act, the authority to waive the Federal administrative charge on all DARPA work is terminated effective the date of this memorandum. Pricing exceptions on existing agreements (as of the date of this memorandum) will be honored as long as there are no increases in the funding level specified in that agreement. Funding increases will be subject to the Federal administrative charge. However, in no instance will an exception extend beyond September 30, 2000.

If you have any questions regarding this memorandum, please contact Jim Reid on (202) 586-4490 or Jim Campbell on (301) 903-9704.



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